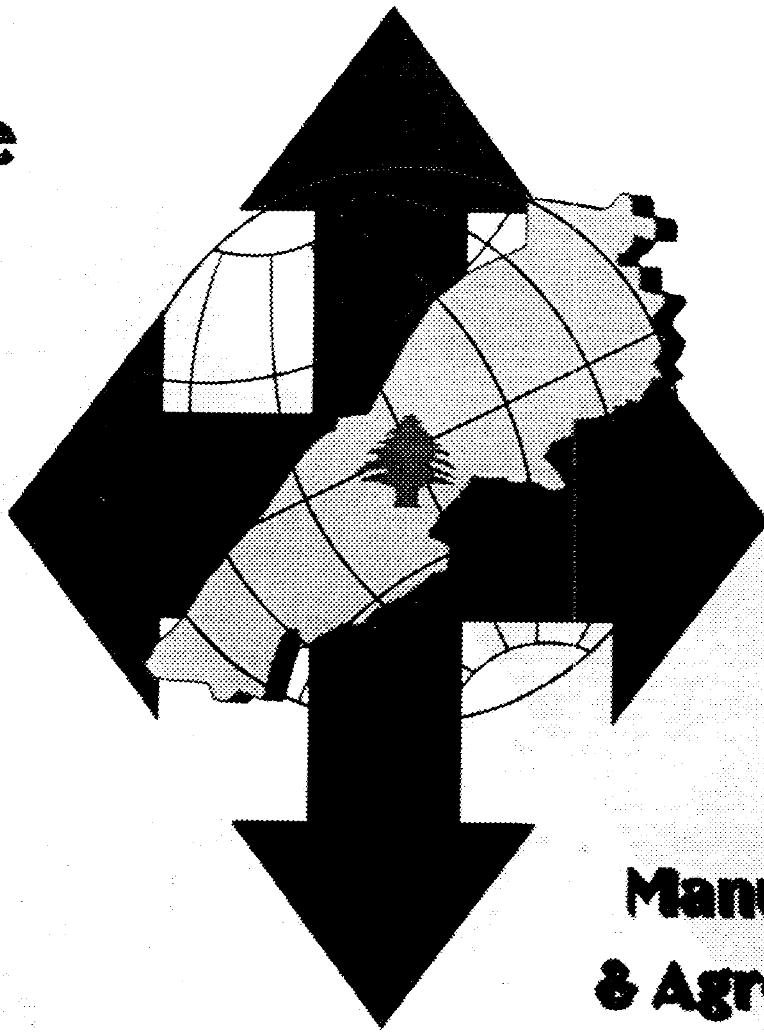
PN-ADC-749

Lebanon High Value Added Agricultural Products Export Initiative

Prospectus Report



Light Manufacturing & Agro-Industry Cluster

SRI International

INFORMATION International

April 2000

USAID

LEBANON HIGH VALUE ADDED AGRICULTURAL PRODUCTS EXPORT INITIATIVE

Prospectus Report

Prepared By:
SRI INTERNATIONAL

Project Funded By:
USAID/LEBANON

April, 2000

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High Value Added Agricultural Products Export Initiative

International Trade of Agriculture Produce

The value of the international agribusiness trade exceeds US$400 billion - about 10 percent of total world trade - and accounts for something in the order of 500 million tones of food products. On average, the trade has continued to grow significantly since 1990. About 75 percent of the world trade in food is comprised of exports from and imports into the industrialized (developed) world. However, in the case of some commodities including fruits and vegetables, sugar, non-alcoholic beverages and fish and fishery products, the less-developed world accounts for more than 50 percent of the world export trade, and its involvement in the export of processed foods is increasing.

Products traded largely embrace the entire spectrum of foods and include fresh, preserved and processed products of plant, animal and marine origin as well as live animals. The trade is very complex and includes producers, exporters and importers, national governments, international organizations, trade associations and a myriad of merchants operating within a framework of both statutory and non-statutory arrangements.

The passage of the GATT agreement exemplifies the commitment to continued trade liberalization. Traditional domestic markets can no longer be taken granted. Price-conscious consumers will purchase imported merchandise if they are cheaper or better. The attractive rewards available from successful food trading have resulted in an increasing number of countries - both developed and less developed - becoming both importers and exporters.

In general, developed countries are net importers; they import about 22 percent more food in monetary terms than they export. Less-developed countries are in general net exporters, exporting about 15 percent more in monetary terms than they import. The international food market is of great economic importance, especially to less-developed countries with their limited financial resources and social problems. Not only does food exporting generate foreign exchange, it also creates and provides employment within the exporting country at all stages in the production chain from growing to shipping.

Lebanese Trade

Lebanon's trade balance is very different from the other countries of its region, because its current trade balance is highly negative. During past years values of imported agricultural commodities were about ten times greater than the value of exports.

In the three years between 1996 and 1998 agricultural exports to all markets averaged only US$142 million per year. At the same time, Lebanon imported approximately US$1,500 million worth of agricultural commodities each of the three years. However, even these low agriculture export figures are significant to the economy of the country as a source of foreign exchange earnings, because agriculture products accounted for approximately 20% of the total Lebanese exports in the years 1997 and 1998.

The table on the following page shows Lebanon's exports of agricultural commodities in the years 1996-1998.

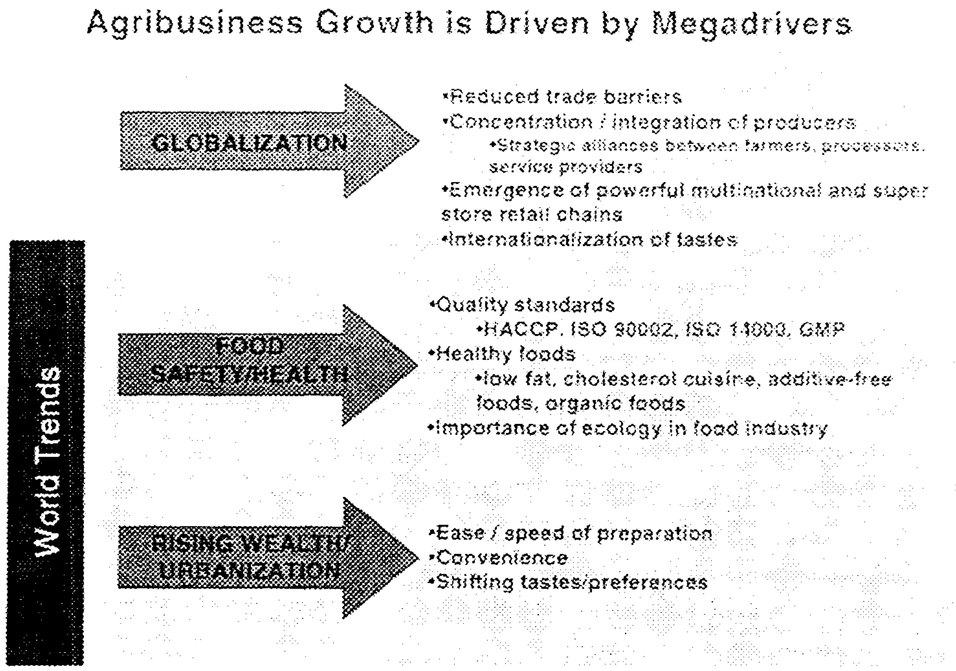
LEBANESE EXPORTS OF AGRICULTURAL COMMODITIES

1996-1998

Commodity	1996 Export		1997Export		1998 Export	
	Value	% of Ag.	Value	% of Ag.	Value	% of Ag.
	US Dollars	Export	US Dollars	Export	US Dollars	Export
Live Animals	105,941	0.07	181,700	0.14	124,780	0.09
Meat and Edible Meat Offal	466,968	0.30	502,610	0.39	739,762	0.52
Fish, Crustaceans, and Molluscs	236,673	0.15	54,250	0.04	121,492	0.09
Dairy Produce	1,923,782	1.23	2,379,750	1.83	1,565,204	1.11
Products of Animal Origin	2,915,607	1.87	2,905,220	2.24	2,844,174	2.01
Live Trees and Other Plants	126,266	0.08	279,080	0.21	358,360	0.25
Edible Vegetables	7,224,202	4.63	14,581,040	11.23	16,741,655	11.83
Edible Fruits and Nuts	29,042,506	18.61	30,031,150	23.13	36,289,438	25.64
Coffee, Tea, Mate and Spices	13,369,910	8.57	2,840,530	2.19	3,082,785	2.18
Cereals	1,521,572	0.98	294,120	0.23	216,958	0.15
Milling Products	19,219,261	12.32	1,878,410	1.45	1,847,577	1.31
Oils Seeds, Grains, Plants, Straw	1,621,191	1.04	1,209,790	0.93	738,745	0.52
Vegetable Extracts	11,420	0.01	27,450	0.02	8,580	0.01
Vegetable Planting Materials	77,360	0.05	33,330	0.03	25,255	0.02
Fats, Oils, Waxes	17,456,211	11.19	8,196,070	6.31	6,117,306	4.32
Preparations of Meat, Fish, Crustaceans	906,090	0.58	591,490	0.46	501,138	0.35
Sugars and Sugar Confectionery	7,307,741	4.68	5,644,450	4.35	6,509,578	4.60
Cocoa and Cocoa Preparations	3,486,674	2.23	2,364,050	1.82	3,663,288	2.59
Cereal, Flour, Milk Preparations	1,908,630	1.22	1,107,200	0.85	1,879,306	1.33
Vegetable, Fruit, Nut Preparations	11,131,343	7.13	11,685,620	9.00	11,770,440	8.32
Miscellaneous Edible Preparations	11,788,704	7.55	14,267,980	10.99	13,048,342	9.22
Beverages, Spirits, Vinegar	9,817,978	6.29	8,830,700	6.80	9,547,613	6.75
Residues from the Food Industries	251,268	0.16	209,150	0.16	2,186,677	1.55
Tobacco & Manufactured Tobacco Substitutes	14,131,979	9.06	19,752,940	15.21	21,581,568	15.25
		100.00		100.00		100.00
Total Agriculture Exports:	**156,049,277**	**15.34%**	**129,848,080**	**20.07%**	**141,510,023**	**19.77%**
Total Lebanese Exports:	**1,017,034,800**		**647,031,370**		**715,871,251**	

World Trends

The growth in agribusiness is highly dependent on current world-wide trends summarized below.



The market for both fresh and process foods are growing, stimulated by a number of consumer trends. In order to be a successful food exporter, a country must produce foods that are both sought after and of acceptable quality to consumers in other countries. Affluent consumers in the industrialized countries believe that fresh food is better than frozen or thermally processed food.

Global consumption of convenience foods is expanding by as much as 11% per year. Increases in per capita incomes, urban population, the numbers of working women and single member households are encouraging consumers to eat out more often or purchase pre-cut frozen vegetables or ready-made convenience foods. Meals are consumed frequently in fast food restaurants; thus the fast-food chains are becoming a more powerful force in agribusiness systems and often create alliances with their farmer or processor suppliers.

Also, improved distribution channels in Europe and Asia for frozen foods contribute to increased sales of such products, and supermarket stores are offering take-out prepared meals. Consumers in the industrialized countries are looking for variety

New and non-traditional foods and popularity of ethnic food will continue to increase. Preferences are shifting toward healthier and more nutritious food. Organically grown and natural food is considered superior by an increasing number of consumers and they are willing to pay premium prices for such products.

These current global trends open many new opportunities for Lebanon's agribusiness. The opportunities and trends of particular relevance to Lebanon include meeting the growing needs of fast-food chains for local food sources, the popularity of new ethnic foods, and organically grown produce will favor Lebanon's food export potential.

Regulatory Compliance

Regulatory compliance is becoming increasingly demanding because of the preoccupation of the world community with food quality. Especially food safety quality and associated health hazards are of primary concern. Consumers' concern for food safety has been enhanced by recent widely publicized food poisoning incidences, placing great pressure on improvements in food plant sanitation, process control and quality assurance. Therefore an increasing number of importing countries are demanding adoption of agreed inspection and examination procedures by the exporting countries involving prescribed food safety systems (e.g. HACCP, GMP, etc.) as well as certification by governments of exporting countries that products are in compliance with mandatory import requirements.

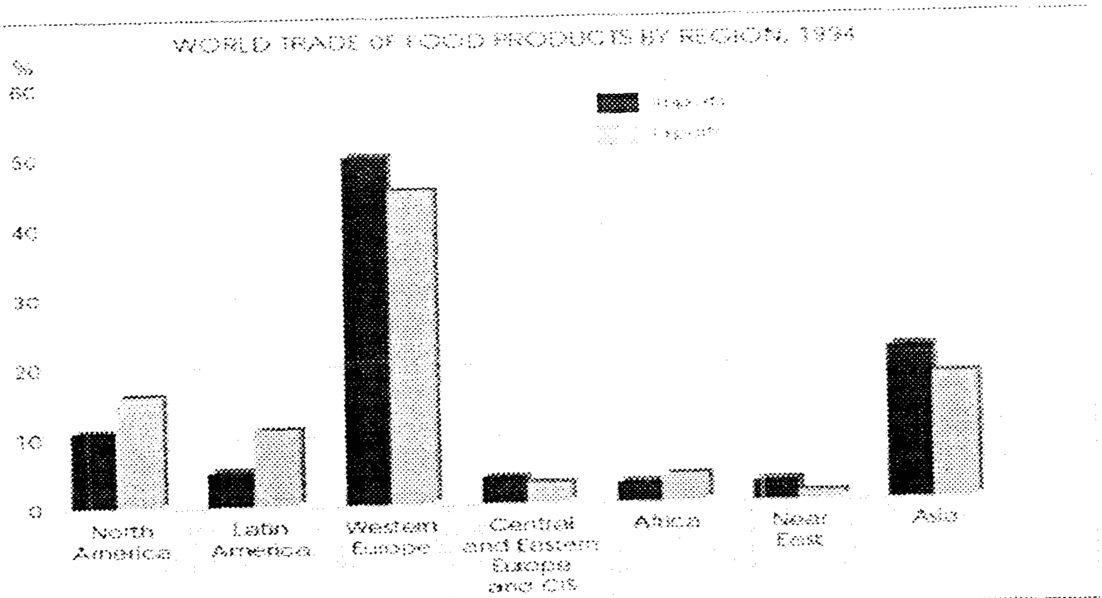
European Import Markets

Currently, countries of the European region are the main global importers of food followed by those of Asia and North and Central America. Those regions, in the same order, are also the main exporters of food. Europe accounted for almost 50 percent of all imports and 45 percent of all exports. Although the European Union (EU) has also remained by far the largest importing region in the world, its share in world imports from outside the Community has tended to decline. The fifteen member countries of EU imported food and agricultural products valued at about $254 billion in 1997. Of this total, two-thirds was composed of intra-EU trade, and about $80 billion came from countries outside the EU.

Foreign Ministers of EU and Mediterranean Countries met in April 1999, and they reaffirmed the importance of establishing "Euro-Mediterranean free trade area" by the year 2010. The Ministers also agreed that the Network of Association Agreements between the EU and other Mediterranean countries should be pursued, and that these should incorporate reciprocal agricultural concessions. As the 15 member countries of the EU may enlarge to add more of the 10 Eastern and Central European Countries and Cyprus, the market will increase from $370 million toward $475 million.

For Lebanon, this will mean more opportunities, but also more potential competition, as the new EU member countries will benefit from advantages relative to those outside the current EU in terms of tariff treatment and market access.

A number of developments aimed at harmonizing regulations on market access for food products among the EU member countries, and implementing consistent systems to ensure food safety, address product quality, ingredients, labeling and environmental requirements are under way. Presently even where regulations are consistent, their application and degree of enforcement by national authorities may vary. All of these factors have important implications for Lebanon food companies interested in targeting EU markets.



The table below lists values of EU imports from third countries during the years 1992 to 1998, as reported by the USDA Foreign Agriculture Service.

EU Imports from Third Countries Calendar Year: 1993 - 1998

Million of U.S. Dollars

Commodity	1993	1994	1995	1996	1997	1998
Live Plants and Flowers						
Cut Flowers	429	478	571	613	597	679
Foliage	196	205	233	265	260	282
Live Plants	150	160	185	192	167	192
Bulbs	15	19	24	25	25	30
Total	*790*	*862*	*1,013*	*1,095*	*1,049*	*1,183*
Vegetables, Fresh, Frozen, Dried						
Fresh Vegetables	926	1,090	1,587	1,480	902	1,214
Frozen Vegetables	205	261	323	288	276	333
Dried Vegetables	162	173	194	208	212	251
Cassava	867	785	382	532	319	275
Total	*2,160*	*2,309*	*2,486*	*2,508*	*1,709*	*2,073*
Fruits, Fresh Frozen, Dried						
Bananas	1,987	2,165	2,597	2,593	1,983	2,069
Fresh Citrus	745	850	1,138	1,250	1,025	1,049
Apples, Pears	529	587	816	880	784	857
Frozen Fruit	334	441	432	448	464	615
Table Grapes	276	307	394	392	396	490
Berries, Kiwifruit	291	307	371	363	340	449
Stone Fruit	86	107	157	182	219	234
Melons	108	122	145	148	143	182
Fruit peel	5	5	6	5	5	5
Total	*4,361*	*4,891*	*6,076*	*6,285*	*5,359*	*5,950*
Dried Fruit						
Dates, figs, etc. 1/	444	477	600	594	586	631
Raisins	307	300	337	351	334	353
Other Dried Fruit 2/	150	156	198	208	194	219
Total	*901*	*933*	*1,135*	*1,153*	*1,114*	*1,203*
Tree Nuts Tree Nuts						
Almonds, Hazelnuts, etc 3/	992	1,339	1,422	1,633	1,572	1,476
Coconuts, Brazil, Cashews	201	225	238	302	310	317
Other Nuts 4/	106	159	167	145	214	253
Total	1,300	1,723	1,827	2,080	2,096	2,046

TABLE CONTINUED

Commodity	1993	1994	1995	1996	1997	1998
Canned Vegetables – prepared or preserved						
Vegetables not in Acetic Acid	367	406	470	487	442	457
Vegetables in Acetic Acid	112	135	144	144	132	132
Mushrooms	42	48	89	80	51	59
Tomatoes	6	6	6	7	7	8
Provisionally preserved	94	109	112	103	107	119
Total	*621*	*704*	*821*	*821*	*739*	*775*
Canned Fruit - prepared or preserved						
Fruit and Vegetable Juice	990	1,105	1,572	1,680	1,414	1,578
Canned Fruits	503	493	541	640	615	691
Provisionally	15	18	20	24	23	25
Jams and Jellies	15	15	16	15	15	15
Glazed	6	6	7	6	6	7
Total	*1,529*	*1,637*	*2,156*	*2,365*	*2,073*	*2,306*
Beverages						
Wine	430	499	699	944	1,169	1510
Beer	110	119	137	165	168	180
Carbonated	99	214	83	92	101	136
Mineral Water	14	16	14	14	18	24
Other Fermented Beverages	18	23	20	22	20	19
Vermouth	24	18	17	16	13	14
Vinegar	2	2	3	3	3	3
Total	*697*	*891*	*973*	*1,256*	*1,492*	*1,886*
Miscellaneous						
Essential Oils	267	315	366	365	376	441
Enzymes	194	226	203	248	272	273
Soy sauce	157	176	211	209	207	231
Fruit	39	42	55	56	52	60
Soups and sauces	29	36	41	46	47	58
Dextrin	34	47	43	55	52	52
Vegetable Flour	23	34	29	27	39	40
Hops	69	70	79	63	41	36
Yeast and	19	19	20	23	25	35
Pectin	21	24	28	27	22	25
Locust beans	11	16	12	13	16	13
Ginseng	8	6	6	6	8	12
Potato Flakes and Meal	3	6	24	12	14	6
Vegetable Starch	3	4	5	5	4	5
Tapioca	2	2	2	3	2	2
Total	*879*	*1023*	*1,124*	*1,158*	*1,179*	*1,289*
Grand Total	**13,222**	**14,967**	**17,593**	**18,698**	**16,811**	**18,723**

1/ Dates, figs, pineapples, avocados, guavas, mangos, mangosteens
2/ Apricots, prunes, apples, peaches, berries, cherries
3/ Almonds, hazelnuts, walnuts, chestnuts, pistachios, pecans,
Source: Eurostat.

Fresh and processed fruits and vegetables, tree nuts, fruit and vegetable juices, and wines represented over eighty percent of the EU imports from third countries in 1998. The largest horticultural import item is bananas, with import values approximately $2 billion each year from 1993 to 1998, accounting for over 10% of the EU's horticultural imports from third countries.

Fresh citrus fruits are the second largest imported items valued about $ 1 billion per year, followed by apples ranging from $530 million to $860 million during the 1993-1998 period. Nearly 85 percent of the apples enter during the off-season and are supplied by South Africa, New Zealand, Chile and Argentina. EU imports of tree nuts from third countries increased by 60 percent since 1993. Hazelnuts and almonds account for most of this growth. In the same period EU import values of fresh vegetables ranged between $926 million to 1.2 billion. Large quantities of wine import from outside the EU are almost entirely accounted to table wine shipments to the UK from Australia and the United States.

Lebanon's Food and Agriculture Exports to the European Markets

Food exporting is an important part of the Lebanese economy. Presently Lebanon's chief trading partners are other Middle Eastern nations, the United States, as well as France, The United Kingdom and Germany. In 1998 the value of Lebanon's agricultural export was approximately US$141 million. Of the Lebanese agricultural exports to all markets, tobacco (which enjoys a government subsidy) has been the largest single commodity, accounting for over 15 percent of the total value of all agricultural exports. The combined values of edible fruits and vegetables contributed over one-third of the total export of agriculture produce. As shown in the table below tobacco, potatoes, apples and pears were the leading export commodities, followed by food preparations, citrus fruits, tomatoes and wine.

Lebanon should continue to maintain or even improve upon its existing and attractive foreign markets in the United States and in the Gulf States (especially in Saudi Arabia and the United Arab Emirates). At the same time, Lebanon should explore more aggressively the attractive markets for fresh and processed food in the European Community.

Composition of Lebanon's Agricultural Exports, 1998

Commodity	Total Agriculture Exports
	Percent
Tobacco	15.25
Potatoes	11.83
Apples, pears, quinces	11.65
Misc. food preparations	8.76
Citrus fruit	8.66
Tomatoes	8.50
Wine	4.28
Sugar confectionery	3.80
Other vegetable oils	3.25
Vegetables, fruits in vinegar	2.92
Chocolate	2.52
Grapes	2.32
Vinegar	1.72
Coffee	1.50
Fruit and vegetable juices	1.47
Jams, jellies, marmalades	1.16
Apricots, cherries, peaches	1.15
Other fresh fruits	1.07
Bread, pastry, cake	0.96
Fruit and nut preparations	0.95
Dried legumes	0.90
Olive oil	0.87
Lettuce	0.79
Onions	0.64
Cheese and curd	0.46
Poultry, fresh, frozen	0.33
Frozen bovine meat	0.19
Other	2.09
Total:	100.00
Total value:	**$141,519,000**

Lebanese agriculture exports (valued at approximately 21 million ECU per year) found markets in the EU countries (see figure below). For this reason, the primary focus of this initiative is to explore Lebanon's potential export opportunities to the European region.

In the years between 1995 and 1998, products of animal origin have been the largest single product category of Lebanese export to Europe followed by animal or vegetable fats and oils. However, these product categories include many non-food items. Therefore seven leading food categories, representing approximately 40 percent value of the total EU agriculture imports from Lebanon, are selected for further evaluation. In view of the current global market trends, these food products are expected to have good market potential in European countries.

Moreover, as shown in the table below the annual exports values of these seven commodities to the EU were a very small portion of Lebanon' total exports indicating that Lebanon has the capability to market more of these commodities to the attractive European markets.

Total Lebanese Exports vs. Exports to Europe of Selected Food Commodities in 1998

Commodity	Total Export	Export to EU
	million US dollars	
Beverages, Spirits and Vinegar	9.5	4.0
Preparations of Vegetables, Fruits or Nuts	11.7	2.2
Edible Vegetables Roots and Tubers	16.7	0.5
Edible Fruits and Nuts, Peel of Citrus Fruits and Melons	36.3	0.2
Oil Seeds, Oleaginous Fruits; Grains, Industrial or Medical Plants	1.2	0.9
Sugar and Sugar Confectionary	6.5	1.0
Coffee, Tea, Mate , and Spices	3.0	0.5

Among the EU member countries France, the United Kingdom, Sweden, Germany, Italy and Spain were the leading buyers of Lebanese produce between 1995 and 1998. These six countries represented over 80% of the EU purchases of Lebanese produce.

LEADING EUROPEAN IMPORTERS FROM LEBANON						
Country	**1995**	**1996**	**1997**	**1998**	**Total**	**Average/Year**
			EUC x 1000			
France	2083	1948	1992	2608	8631	2158
Germany	581	746	812	1124	3263	816
U.K	1162	1591	2713	2820	8286	2072
Sweden	993	813	926	843	3575	894
Italy	1070	564	155	108	1897	474
Spain	941	135	496	143	1715	429
Total:	6830	5797	7094	7646	27367	6842
Total Imports from Lebanon by all EUC Countries:						
	7919	7516	8124	9334	32893	8223

Constraints to Export Expansion

Presently an enlargement of Lebanese agricultural product exports is facing several basic constraints from two origins: business oriented and policy oriented. The principal business-oriented constraints included: high costs of production and transportation for export products. The major policy-related problems include the absence of adequate policies aiding exportation, and the lack of governmental control, and protection of domestically produced goods.

The following assessment of constraints facing Lebanese agribusiness exporters is based upon a recent industry field survey conducted by Information International Ltd., Beirut, dated March 2000. According to this survey, the Lebanese agribusiness industry is comprised of small enterprises, many of which do not have an official permit, while others are not even registered. These small enterprises process different products, including, bottled water and beverages (wine, arak, juices), canned and processed food (vegetables, fruits, jam, pickles, chicken), and dairy products (labneh, Lebanese cheese and yogurt).

Lebanese farmers face major problems; among them are the high costs of production and very low revenues, market stagnation, high prices of inputs and equipment, irrigation infrastructure, and a lack of adequate extension projects. According to the survey, the public administration presented by the Ministry of Agriculture is taking decisive steps towards aiding Lebanese fresh market producers. Nonetheless, it is also encountering critical problems (such as a lack of control and an absence of reliable agricultural policy) worsened by the increasing public debt.

The agribusiness industry, in general, confronts problems of various types, namely, institutional obstacles (lack of coordination, and of national policy), socio-economic problems (lack of long-term credits, of internal and external marketing channels), and technical hindrances (professional staff deficiency, high cost and high taxes on the imported packaging material).

In particular, the industry's development and its policies face the following severe constraints:

- Political and socio-economic problems (lack of clear market strategy and of incentives to farmers)
- Technical restraints (poor post-harvest technologies, inefficient management of land and water use)
- Institutional hindrances (lack of agricultural credit services, lack of regulation and quality control systems)
- Environmental constraints (misuse of water, land, forestry, fishery)[1]

The Information International's survey addressed five agroindustry sectors individually to state their specific constrains to export expansion. The results of the survey are summarized in the tables below:

[1] Lebanon-Country Report, 1998

Business Oriented Problems Limiting the Expansion of Export Sales

Sector	Problems	%
Wine and Arak	Lack of Regulation Vacancies	20
	Lack of Public Service Interest	20
	Government Law Regarding Wine and Arak Production	20
Fruits	Lack of Availability of Fruit Quality Produced in Lebanon	25
	Market Uncertainties	25
Food Industry and Trade	Competition	6.7
	Protection Measurements Undertaken by Some Countries	6.7
	Lack of Public Service Interest	6.7
	Lack of Demand for Higher Products Quality	6.7
	Local Consumption of Lebanese Products and Main Exports To Mediterranean Markets	6.7
Juices and Ketchup	High Cost of Formalities and Legalization	25
	Lack of Raw Materials	25

Source: Information International Ltd. Doc. 112 dv2/March 2000

Policy-Related Problems Limiting Export Expansion

Sector	Problems	Percent
Wine and Arak	Lack of Data	25
	Lack of Partnership with Europe	25
	Administrative Pestering	25
Fruits	Lack of Low Interest Loans	25
	Lack of Discipline Among Exporters	25
	Irregular Flights to Some Destinations	25
Food Industry and Trade	Small Size of Firm's Surface	77
	Increase in Local Demands	77
	Low Export Profits	77
	Lack of Bilateral Agreements	77
	Lack of Incentives for Exportation	77
Juices and Ketchup	Lack of High-Tech Agribusiness Projects	33

Source: Information International Ltd. Doc. 112 dv2/March 2000

Despite the evident graveness of the above problems, the agro-industrial sector ranks high in importance with respect to the other industries in Lebanon. It is regarded among the most important exporting sectors in Lebanon with markets including the Arab Countries, Europe, USA, Canada, and Africa.

Opportunities and Initiatives to Expand Lebanese Agricultural Exports

Lebanon has a long tradition for high quality fruits, wine and olive oil production and these produce already enjoy good reputation in many importing nations to build upon.

Because of its enviable climate, a broad range of microclimates and other environmental conditions a wide variety of fruits, vegetables and wines, including some unique crops can be produced in Lebanon. However, presently none of these fine products enjoy brand recognition. The Lebanese industry should develop a brand name for its high quality and unique products (such as "Colombian Coffee") and promote them under one umbrella in trade shows and advertisements.

Fruits and vegetables in fresh or processed state are moderately high value commodities among agricultural products having good market potential in many industrialized countries because consumers are increasingly favor fruits and vegetables for their conceived health benefits. Moreover, several Lebanese fruits and vegetables can produce year around, and during the winter months can be sold at high premium price especially in Northern Europe. On the negative side, however, few high-value crops are grown in Lebanon, and existing plant crops are often not suited for processing.

Short Term Opportunities

In the short term, proper marketing of existing produce and value-added processed products could markedly improve Lebanon's agriculture trade balance. In the table below selected fresh and processed fruits and vegetables are listed as high priority for export development, where Lebanese growers and food processors can have an immediate impact. In addition, wine, olive oil, poultry products, confectionery, spices and shelf-stable Mid-Eastern specialty products (e.g. humus, tahina) could become profitable export items in the short term. The introduction of Middle-Eastern specialties in European and North American restaurants can provide substantial reward. Sales of such Lebanese specialty food items through the restaurant channels do not require costly marketing expenditures. Moreover, success in the restaurant channels would impress food retailers, thus initiating significant market expansion.

Organically Grown Production Opportunities

Consumption of organically grown produce is increasing in most industrialized countries. Organically grown produce is sold at high premium price. Presently organic foods represent only <1% of the U.S. food market but are increasing at 30% a year with an expected market of US$10 billion by the year 2005. Similarly, consumers in Western Europe and Japan are becoming highly interested in the organic food movement. Moreover, many traditional agriculture research institutions are experimenting with this agronomy technique and introducing commercial scale models. Small Lebanese family farms can be successful in this arena, because distributors are interested in handling organically grown produce in smaller quantities than the regular produce. Growing such specialty crops may assure the survival of small farmers who cannot produce the large volumes required by importers. A number of fruits and vegetables such as those listed in the table may be economically produced in Lebanon without the use of agricultural chemicals taking advantage of this growing niche market.

Potential Lebanese High Value Exports

for Export Markets,	Process					
Commodity	Fresh/	Frozen/	Canned/	Juice	Dried/De-	Pickled/
	Cut	IQF	Glass	Conc.	hydrated	Marinated
Fruits						
Apples	x	x		x	x	
Apricots	x	x	x		x	
Avocadoes	x					
Citrus	x			x		
Grapes	x				x	
Guavas	x	x		x		
Mangoes	x	x		x		
Mixed fruits		x	x			x
Olives			x			x
Peaches/Nectarines	x	x	x		x	
Pears	x		x	x	x	
Strawberries	x	x				
Vegetables						
Artichokes	x		x			x
Broccoli	x					
Green beans	x	x	x			x
Lettuce	x					
Melons	x	x				
Mixed fruits	x		x			
Onions	x					x
Peas	x	x	x		x	
Potatoes	x	x	x			
Tomatoes	x		x	x		

Need for Market Research to Define Long-term Opportunities

Market intelligence systems are of increasing importance. It is essential for the identification of countries/regions where Lebanon would have advantage to develop a growing export program. The important question is not what Lebanon can produce, but what the leading international customers want to purchase.

Therefore, to increase its agricultural exports in the longer-term, Lebanon needs to initiate global market research on:

- Export prices
- Volumes
- Geographical opportunities
- Seasonal price trends
- Product preferences (e.g. preferred varieties, package requirements, etc.)

Such information will be essential to identify consumer needs and to develop market plans.

Introduction of New Crop Varieties

Produce should be shifted to a more specialized range of locally-optimal crops. Selection of plant varieties is needed to provide suitable raw material for processing in the Lebanese environment and for the production of high value-added convenience food. Also, unique local fruit varieties need to be identified, selected and introduced to farmers for large-scale production. Such unique produce may be sold in profitable niche markets.

Action Steps to Expand Exports

- Opening and creating new export markets involving:
  - Adoption of export calendars
  - Initiation of sales of Lebanese food specialties in restaurants of Europe and North America
  - Investigate feasibility of organically grown fruits and vegetables
  - Branding high quality or unique Lebanese produce
- Encouraging investments for exportation, providing long-term credit for processing enterprises
- Intensifying production and productivity of strategic crops
- Supporting the adaptation of modern quality assurance procedures(e.g. HACCP)
- Conducting benchmarking to determine needs for acquiring modern technologies.

Annex

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- World Fresh Citrus Situation
- Situation and Outlook for Avocados

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